

Infineon Technologies Austria AG



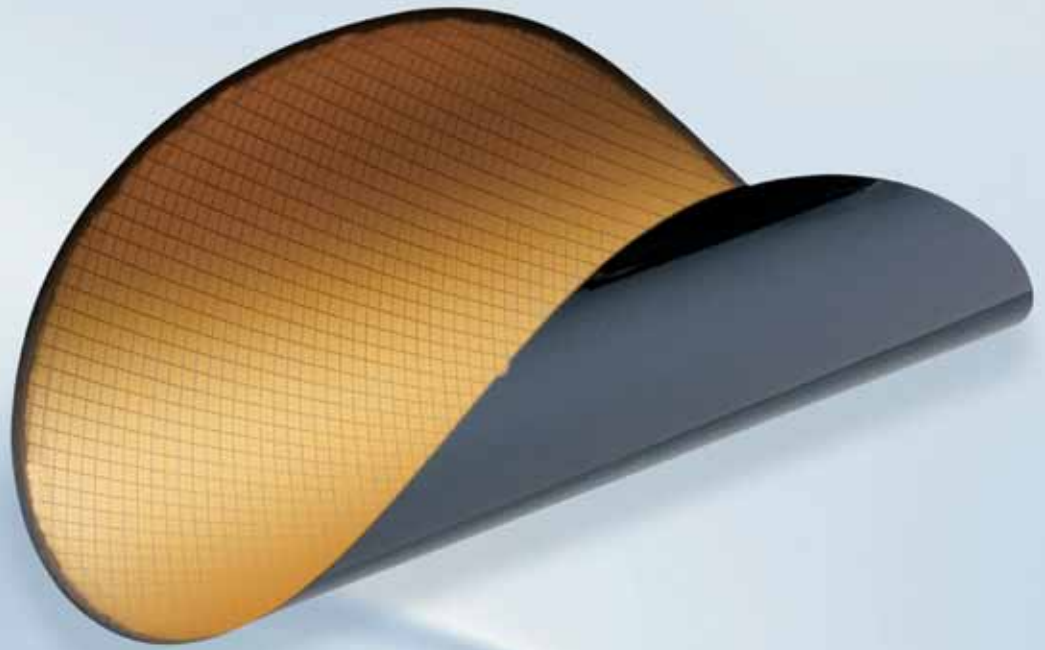


With the free-of-charge Augmented Reality (AR) app “AR Austria”, you can play videos that introduce you to our focus areas: energy efficiency, mobility, and security.



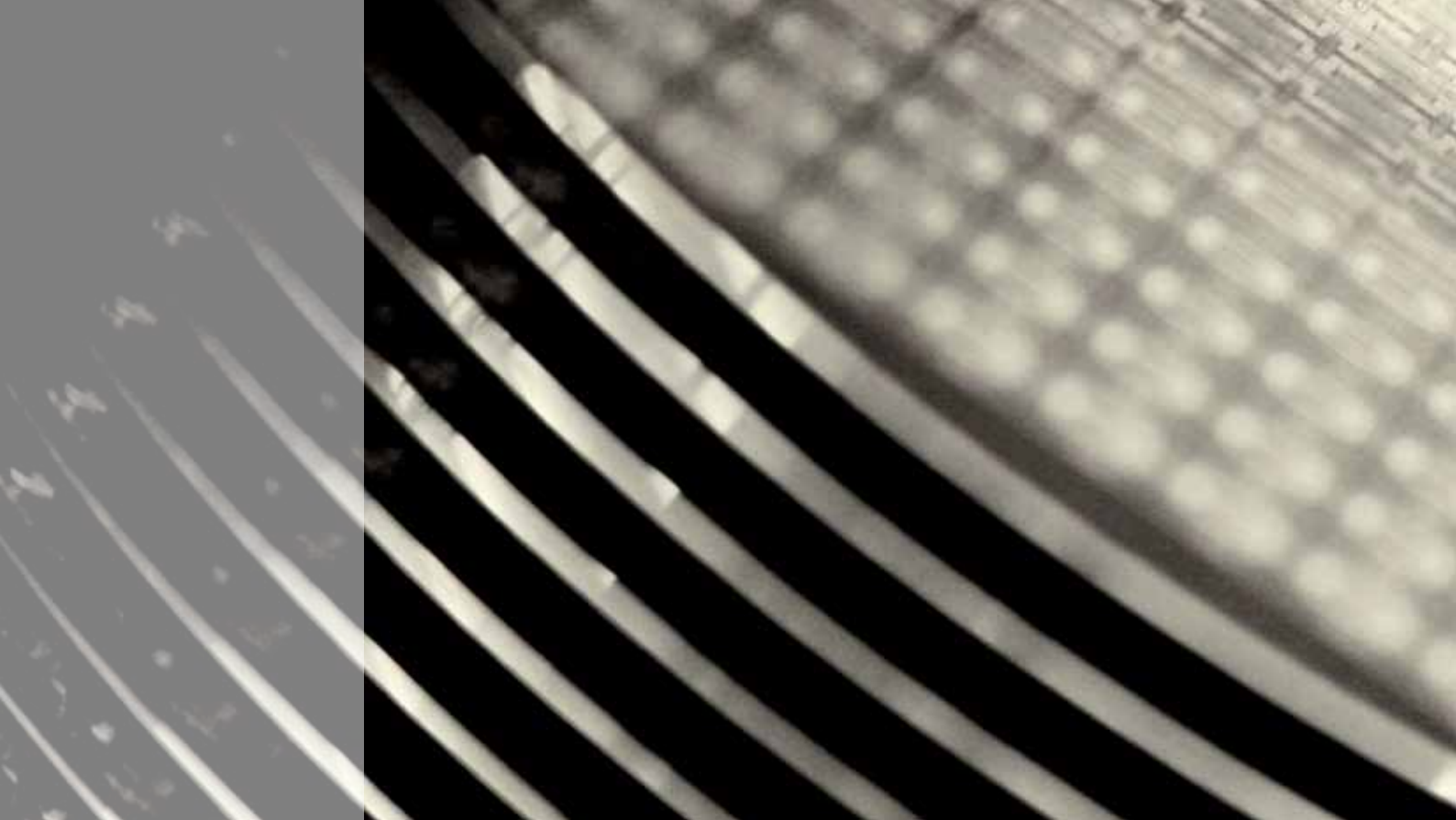
Download the app from the iTunes store.

Enjoy fascinating new insights into the world of Infineon.

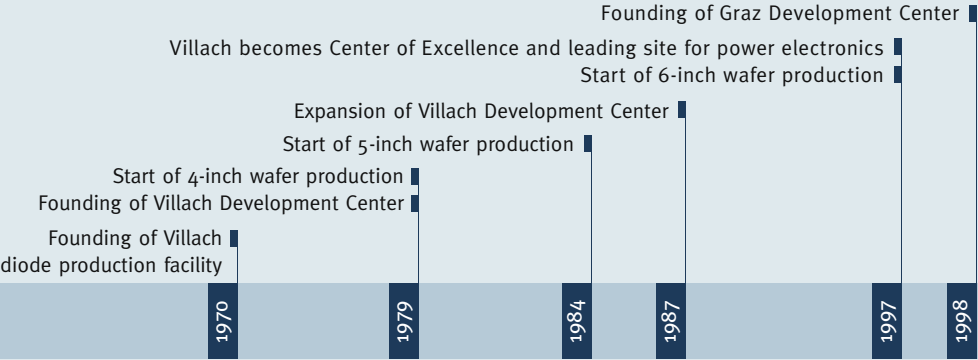


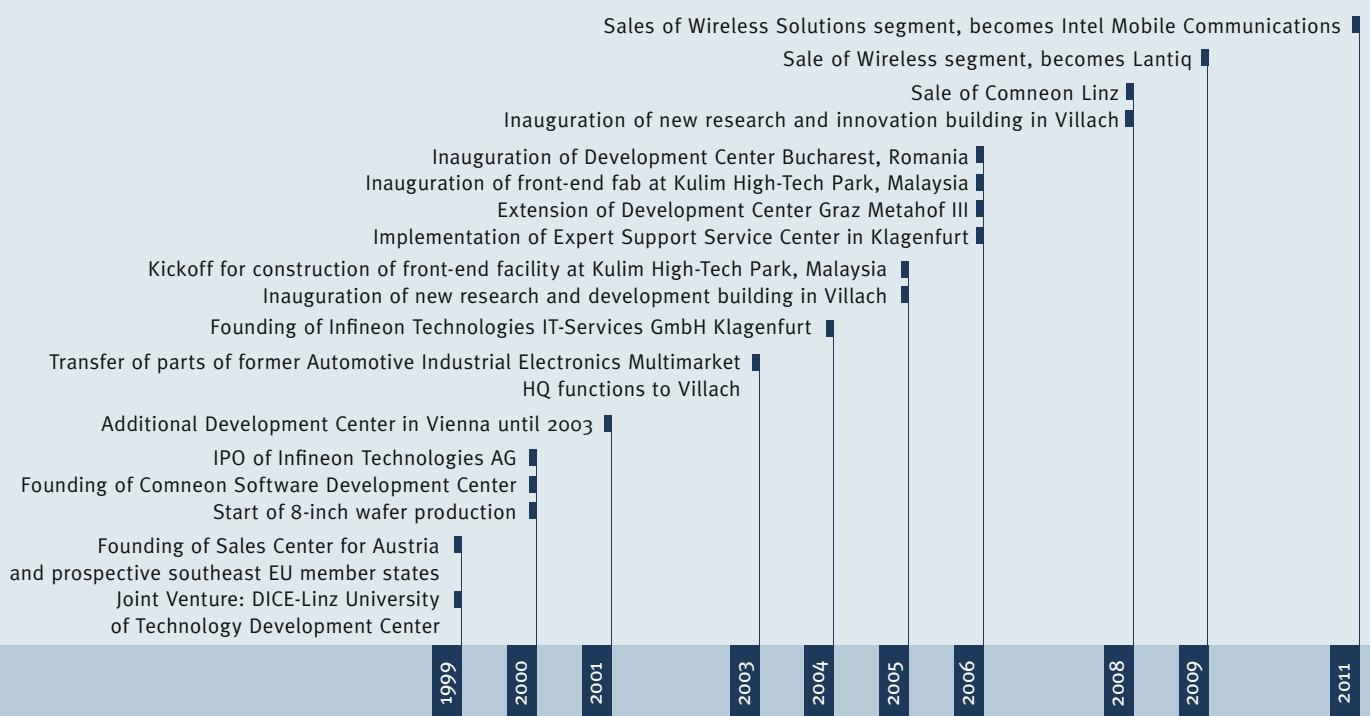
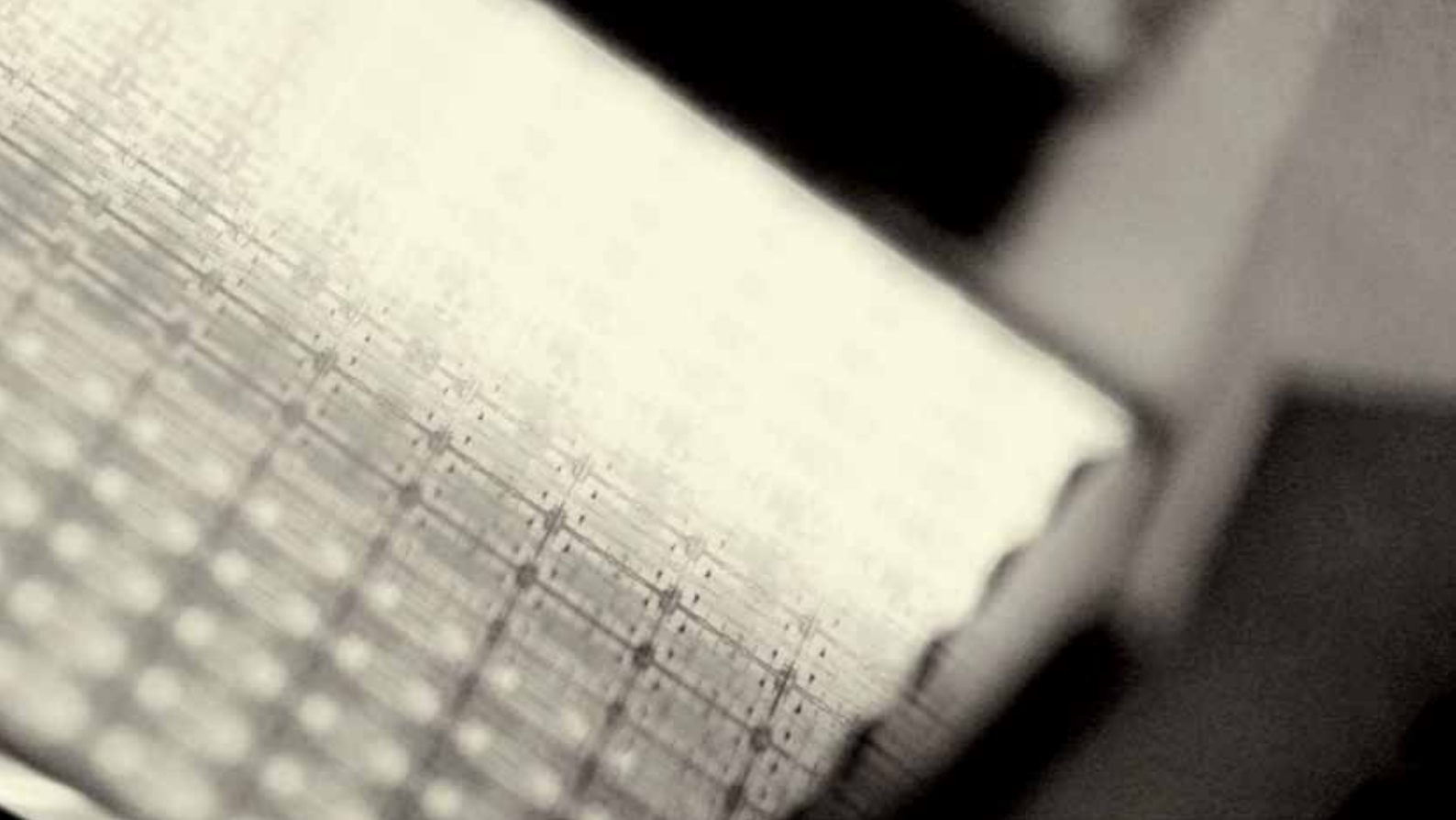
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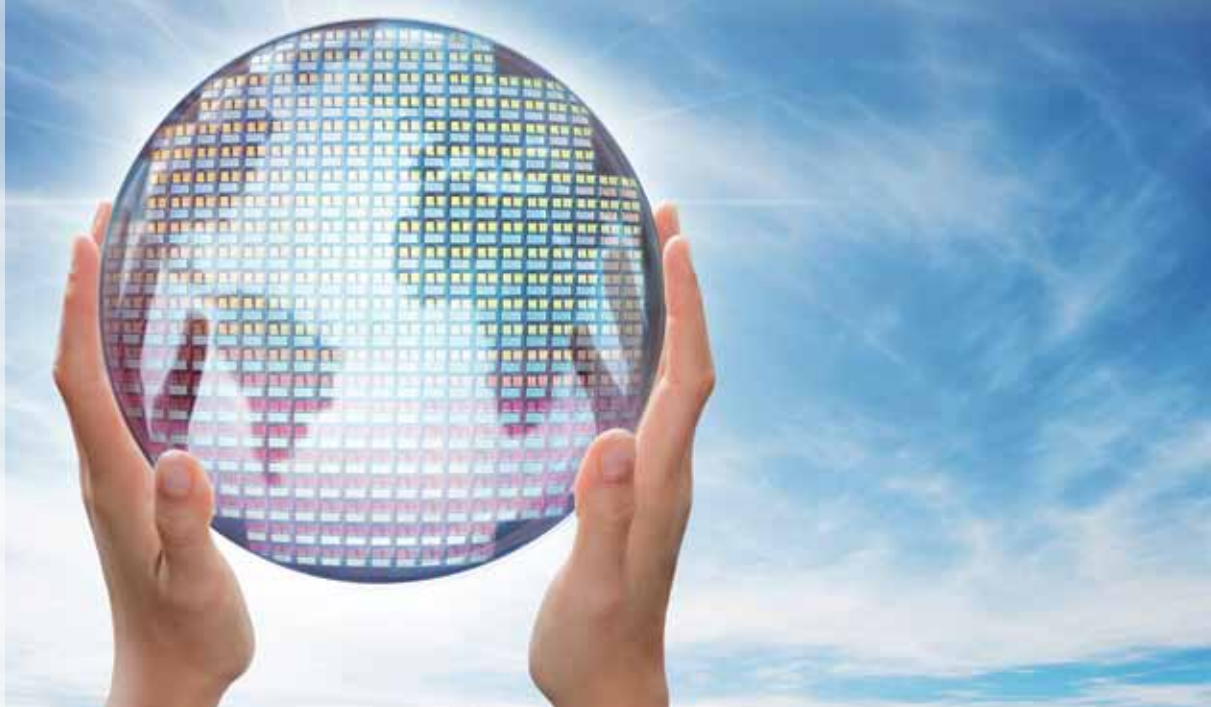


Infineon Austria Timeline





Timeline



Infineon Technologies Austria AG - an Overview

Infineon Technologies is a leading global provider of semiconductor and system solutions that enable applications to shape tomorrow's world in the focus areas of energy efficiency, mobility, and security.

Headquartered in Villach, Infineon Technologies Austria AG belongs to the Infineon Technologies Group. Over the past decades it has established itself as a key, Austria-based company vested with global responsibilities.

Thus, over recent years, Infineon has expanded its activities in Austria particularly in the "Automotive" and "Industrial & Multimarket" business segments. Effective from 1st January 2012, the latter is divided into the two new divisions of "Power Management & Multimarket" and "Industrial Power Control".

An international team made up of around 50 different nationalities engages in research, development, and production of microchips and contributes to the company's success at the Villach, Klagenfurt, Graz, Linz and Vienna sites.



Monika Kircher-Kohl
Chief Executive Officer (CEO)



Reinhard Petschacher
Chief Technology Officer (CTO)



Sabine Herlitschka
Member of the Board

Strategy 2020

Infineon Technologies Austria developed the “Strategy 2020” so as to expand on Infineon’s core competencies in Austria, to further strengthen Infineon’s international success, and to enhance sustainable economic prospects for the business location Austria.

First-class innovation management and a deeply-rooted culture of innovation lay the foundation for our work. The synergy of research and development, production and headquarter responsibility for defined Infineon segments generates comprehensive expertise, especially with regard to one of the three areas on which Infineon focuses: the wide market for energy-efficient applications.

Focusing on security, the Graz site is the hub for global expertise in contactless chip technologies. With regard to mobility topics, sensor technology is currently gaining in importance for electric vehicles.

To ensure effective implementation of the strategy and quality in our management we engage in annual Management Self-Assessment (MSA), adhering to the EFQM (European Foundation for Quality Management) methodology. In so doing, we work systematically and consistently on the improvement of our organization.

In 2011, Infineon Austria entered the competition for the State Award for Quality conferred by the Austrian Federal Ministry of Economics, Family, and Youth in cooperation with Quality Austria GmbH. We were awarded the “Jury Prize for Innovation” and a “Nomination for the State Award”.

Strategy 2020



High Performance

Infineon has committed itself to providing best solutions in focus areas that centrally challenge modern society: energy efficiency, mobility, and security. In order to achieve this goal, Infineon launched a “High Performance” program.

A high performance company delivers excellence. It generates sustainable value for customers, employees, and shareholders - and hence for society. Infineon Austria's dedication to quality management forms part of this quest for high performance.

The following breakthrough in manufacturing technology, as disclosed in October 2011, serves as an example of high performance and innovation at Infineon Austria: Infineon was the first company in the world to succeed in producing power semiconductors on 300-millimeter thin wafers. This achievement took place at the Villach plant.



Focus on Energy Efficiency

Energy efficiency takes on special significance as natural resources dwindle and energy requirements rise. Infineon's advanced semiconductor solutions provide cutting-edge technologies for generating, transmitting, and using energy. Vested with global responsibility for Power Management & Supply Discretes, Infineon Austria makes a major contribution to the international success of these energy-saving chips.

The long-standing collaboration between development and production at the Villach site creates synergies and provides an excellent basis for the success of these products on the global market. Outstanding development expertise in the "Automotive" segment is deployed, for instance, in technologies for hybrid drives or electric vehicles.

With the creation of the DC/DC Center of Excellence in Villach, which encapsulates development know-how related to power management, Infineon Austria prepares for a new market dedicated to energy efficiency. This technology enables an adaptation of the electrical current by means of DC/DC converters to the particular needs of end-consumers that use battery-operated appliances or more complex power supply units.

Infineon-wide responsibility for parts of the ASICs & Power ICs (application-specific integrated circuits and power semiconductors) segment highlights world-class expertise in this field.

Energy Efficiency



Center of Excellence for Tire Pressure Sensors

Infineon Technologies Austria was entrusted with another global responsibility when development expertise for automotive tire pressure sensors was pooled.

TPMS (Tire Pressure Monitoring Systems) development is now located at the Graz Development Center, the TPMS sensor manufacture takes place at the Villach front-end fab. Comprehensive quality control is performed at the Reliability Testing Center in Villach.

Reliability Testing Center

The reliability and quality inspection of Infineon's semiconductor products for automotive and industrial applications, as well as for tire pressure monitoring systems is carried out in Villach. The laboratory is responsible for testing the reliability of technologies and products. The findings gained in the process are used, for example, as the basis for production and delivery releases of new products.

Global IT Management in Klagenfurt

Another global center of excellence is Infineon Technologies IT-Services GmbH, based in Klagenfurt's Lakeside Science & Technology Park. Since 2004 it has been globally responsible for information technology in support of infrastructure, manufacturing, enterprise applications platforms and business intelligence. IT infrastructure comprises architecture, technical design, standards for computer systems, office integration and system monitoring solutions as well as the Infineon IT service desk. Manufacturing IT facilitates key steps in the production of microchips, IT enterprise application platforms are responsible for the architecture and operation of platforms, such as that for SAP, and IT business intelligence supports corporate management through appropriate reporting and analysis systems.

In 2011, the data center environment with over 2,000 CPUs (Central Processing Units) was transferred to Austria. It serves as a compute cloud for all employees assigned to Infineon's research and development activities in Europe.

Satisfied International Customers

Many international customers carry out on-the-spot checks to verify the quality of our development and production and are always left impressed by the way we work. Our commitment to quality is especially made apparent by the manufacturing automation and implementation of APC (Advanced Process Control), among others. In the past fiscal year, a total of 36 audits and customer visits from Europe, North America, and Asia were successfully completed.

Positive feedback and awards such as "preferred supplier" are acknowledgements of the high quality of the service we provide.

Partnerships in Industry and Research

An important factor for Infineon's success is the collaboration with industry and research institutes at home and abroad. Infineon Technologies Austria engages in cluster membership first and foremost in those states where there is already a strong business presence, i.e. in Carinthia, Styria and Upper Austria. Companies draw on the diverse set of capabilities and resources that members bring to the network to boost international competitiveness.

Infineon Austria's proactive involvement in the national platform "Austrian Mobile Power" fosters exchange with key stakeholders in industry and research, as well as with governmental bodies that promote electro-mobility concepts and aim to have 200,000 e-cars on Austrian roads by the year 2020.



Partnerships

Responsibility for the Business Location Austria

Austria has earned an outstanding reputation as a location for business and technology development in Europe. Valuable contributing factors are the excellent quality of life, the country's socio-economic stability, and the social partners' ability to achieve consensus. Research-intensive multinational corporations such as Infineon require an economic environment that offers an attractive fiscal policy and a multitude of direct and indirect funding opportunities as well as a highly qualified workforce.

Through partnerships and initiatives in research and education, Infineon Austria strengthens the competitive positioning of Austria on the global market. Entrusted with the responsibilities of a Leading Competence Unit (LCU) of a large multinational, Infineon Austria constitutes an important pillar of the economy. The company's innate strength of innovation and value creation bears great significance for the region.

Infineon is also an initiator and founding member of the Carinthian International Club (CIC), a network service for employees in industry and science in Carinthia. Founded by companies in the region, the Federation of Carinthian Industry, the Carinthia University of Applied Sciences and the University of Klagenfurt, the CIC helps professionals from abroad and their family members to enter and adapt to (working) life in Carinthia (<http://www.cic-network.at>). The number of CIC member companies has risen to 24 over the past two years.



Villach



Vienna



Linz



Graz



Klagenfurt



Innovation at Center Stage

Innovation as a pillar for business and technology development is as important to Infineon as it is for Austria. To ensure that Austria maintains its status as one of the most important high-tech locations in Europe, Infineon places innovation at the heart of its activities. Furthermore, it has committed itself to a nationwide, concerted strategy that draws on research, technology, education, and innovation to nurture Austria's international competitiveness.

In 2008, Infineon Technologies Austria launched an innovation initiative that would focus on topics decisive for future market success. It promoted innovation in all areas – in research and development, production, and human resource management among others. Since then, an important number of innovation projects have been implemented successfully. One representative example is a photovoltaic project. Infineon semiconductors are deployed to reduce losses inherent in the energy conversion of inverters and may thus significantly increase the efficiency of photovoltaic panels.

Another example is the manufacturing automation initiative. The use of innovative robotic systems optimizes the interplay of people and machines in complex wafer-manufacturing processes and contributes significantly to the increase in quality standards overall. Finally, also the feasibility study on the manufacture of power semiconductors on 300-mm thin wafers was conceived as an innovation project at Infineon Austria. The success of this study led to the decision of the Infineon Group to set up a pilot line at the Villach plant.

Innovation



A Culture of Innovation

Our employees are constantly searching for new ideas to heighten the competitiveness of our products, technologies, and processes, and to promote their economic success. This culture is at the basis of all success through innovation.

Infineon pursues an all-embracing concept of innovation. Highlights include the Innovation Days, which are an excellent platform for sharing experiences and exchanging ideas. The main purpose of an innovation day is to offer employees insights into current innovation projects. In turn, they also emphasize the importance of innovation for the company overall. 2011 saw the tenth Innovation Day in Villach, the second in Graz and the first in Klagenfurt. Furthermore, since 2009 Infineon Austria honors employees' exceptional achievements, as related to innovation, with annual innovation awards in three categories.

In addition to the greater innovation initiative, the Infineon idea management program, YIP (Your Idea Pays), motivates employees to submit ideas for improving products, processes, and methods, and to advance innovation. The Infineon-wide program generates significant benefit for the company every year.



International Excellence in Research & Development

Infineon Austria focuses on semiconductor solutions for applications in the automotive, industrial, and security sectors. Key products include systems for measuring tire pressure, microchips for engine management systems, chips for energy efficiency or contactless security products for ID cards.

Our international experts have an outstanding reputation. Adhering to highest quality standards they deliver customized system solutions to tough deadlines.

Some 950 experts are engaged in research and development activities at the Villach and Graz Development Centers, the DICE affiliate in Linz and at the subsidiary Infineon Technologies IT-Services GmbH in Klagenfurt. Internationally leading expertise in R&D has enabled Infineon Technologies Austria AG to expand on its competencies and increasingly assume global R&D responsibilities for the Infineon Group.

R&D

R&D with International Expertise

In the fiscal year 2011, around 219 million euros - a figure equivalent to approximately 16 percent of total sales - was invested in research and development. A strong presence of Infineon R&D experts at international conferences as well as numerous publications are testament to the company's internationally recognized excellence in technology and know-how. In order to expand on our success, important investments into research, development, and innovation projects are being made.

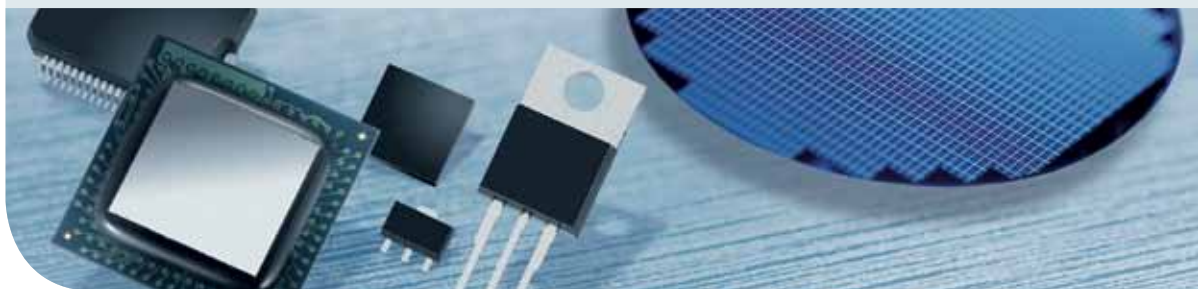
Energy-efficient Solutions from Villach for Automotive and Industrial Applications

Villach has been home to the development of microelectronics for more than three decades. The research and development carried out at the site consistently meets highest quality requirements, while engaging in very competitive time management for development projects.

In holding the responsibility for the Power Management & Supply Discretes business, Villach is also responsible for the Infineon-wide development of so-called "energy-saving" chips. Here the experts' focus is on increasing energy efficiency and advancing system miniaturization with innovative power semiconductors that reduce conversion losses along the entire value chain of energy.

These "energy-savers" serve to make power supply more efficient and they can do so once implemented in industrial applications, computers, communication products, consumer electronics, and lighting, where efficiency levels are raised well above 90 percent. The success of this product has made Infineon the market leader in the discrete power semiconductor sector - in technological and economic terms.

Another example of in-house world benchmark R&D is CoolMOS™. Building on earlier recognition and awards that celebrated this technology, Infineon was conferred the prestigious 2001 Innovation Award of German Industry for the fifth generation of the product. To date, CoolMOS™ has generated approximately four billion sold products.



Facts and Figures 2010-2011 FY

Infineon at a glance

As at September 30, 2011, incl. Austrian associated companies

Infineon Technologies Austria AG	
Sales	1,359.7 million
Profit	165.7 million Euro
Investments	204.9 million Euro
R&D expenses as % of sales	16
total employees	2,761
Patent applications filed in the fiscal year with Austrian participation	146
Production volume in the fiscal year under review	17.6 billion Chips

Infineon Technologies AG	
Sales	4.0 billion Euro
Employees worldwide	approx. 26,000

Infineon in detail

As at September 30, 2011, incl. Austrian associated companies

Employees	
Total no. of employees	2,761
Total percentage of women	14.4%
Employees in R&D	950
Product & process development and quality assurance employees	approx. 300
External employees contracted permanently via partner companies	approx. 1,600
Undergraduate/PhD project students	90
Apprentices	39
Interns & vocational/ temporary industrial workers	796
Research & Development	
Invention disclosures	246
Filed patent applications	146
R&D expenses as % of sales	16
Production	
Products (basic types)	1,360
Production volume	17.6 billion chips
Audits and visits by customers	36

Infineon Technologies Austria AG continually receives awards from customers and public organizations in recognition of outstanding achievements in various areas of the company's activity.

The most recent and most significant awards over the past years:

Environmental Protection & Health

EMAS Award	2009
Seal of Approval for Workplace Health Promotion (3-year)	2012, 2009, 2006
Health Foundation Austria "Workplace Health Promotion" 2 nd place	2008
Ministry Award for Approved Environmental Management	2004
Ecological Audit Award	2001

Equal Opportunities & Promotion of Young Talent

Business Award for Integration	2010
KNEWLEDGE State Award 2009	2010
Trigos Award Carinthia	2010, 2008, 2007
State Award for Equal Opportunities in Research and Development	2009
Special Prize, ebiz eGovernment Award	2009, 2008
ebiz eGovernment Award Carinthia	2008
Anton Benya Award	2008

Quality & Supplier Reliability

Jury Prize for Innovation and Nomination for the State Award for Quality	2011
Artesyn "Strategic Supplier Status"	2010
Tridonic.Atco "Performance Certificate"	2010
Toyota "Best of Excellent Quality Award"	2009
Tridonic.Atco "Excellent Supplier 2008"	2008
European Supply Chain Excellence Award 2007	2008
Recognized for Excellence 4* Quality Austria	2008
Sony Energy Devices Appreciation Award	2007
Emerson Marquee Supplier	2007
Austrian Quality Award /AQA)	2001

Innovation

DICE – Innovation Award of Upper Austria, 3 rd place in 2008	2010, 2008
Carinthian Innovation and Research Award	2009, 2005
FIT-IT Project Award "Beyond Serial CMOS Links"	2007
CONEX Business Process Award	2006
Leonardo Award	2004
German Innovation Award	2002
Austrian State Award for Innovation	2000

Changes and Events in the Fiscal Year 2010/2011

Intel Acquires Wireless Solutions Business Segment

In the summer of 2010, Infineon Technologies AG and Intel Corporation announced the conclusion of an agreement to sell the Wireless Solutions (WLS) business, which focuses on semiconductors for mobile phone platforms, to Intel. The acquisition was closed in January 2011.

Some 140 employees from Austria, mostly from the Austrian affiliate DICE and about 20 from Infineon's Carinthian sites, now work for Intel Mobile Communications.

High Investments in Austria

In the past fiscal year Infineon invested the substantial sum of 204.9 million euros in Austria. These funds were used mainly for expanding the production facilities by adding 2,000 square meters of cleanroom area and for erecting a new research and development building.

The World's First Power Semiconductors on 300mm Thin Wafers in Villach

Following the installation of a pilot line for manufacturing power semiconductors on 300mm thin wafers, the feasibility of the technology developed in Villach was successfully demonstrated. This makes Infineon the first company in the world to be capable of manufacturing power semiconductors in 300mm thin wafer technology.

Personnel Changes in the Board of Management

Dr. Sabine Herlitschka was appointed to the Management Board of Infineon Technologies Austria AG effective August 1st, 2011 and assumes responsibility for Research & Development at the beginning of 2012. Reinhard Petschacher steps down from his position as Chief Technology Officer of Infineon Technologies AG at the end of the 2011 calendar year and enters retirement.

Foreign Subsidiaries of Infineon Austria

Infineon Technologies Romania SCS

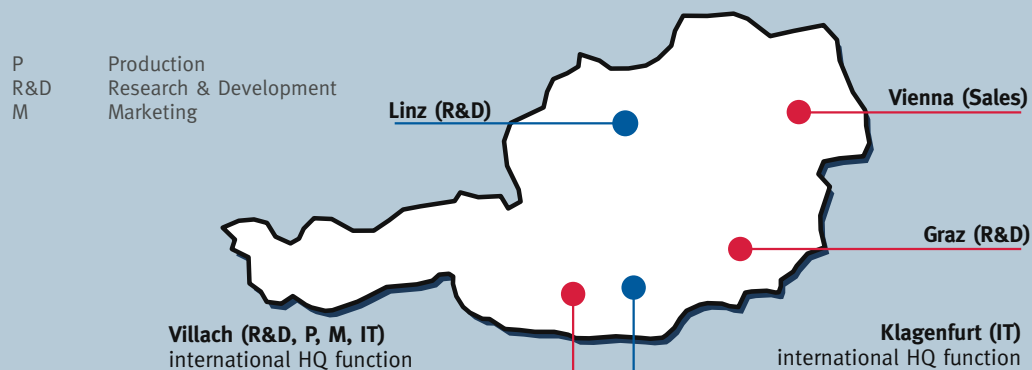
In April 2005, Infineon Technologies Romania SRL, a subsidiary of Infineon Technologies Austria AG, was established in the Romanian capital of Bucharest.

Infineon Technologies (Kulim) Sdn Bhd

In September 2006, Infineon opened a front-end fab, again a subsidiary of Infineon Technologies Austria AG, at the Kulim High-Tech Park in Malaysia.

Infineon Austria: An overview

Infineon Technologies Austria AG including associated companies



Innovative Semiconductor Technology

Focusing on Global Challenges

We currently face a number of daunting challenges: The world's population is growing, more and more megacities are forming and demand for energy continues to spiral up across the globe. In addition, the rising need for climate protection calls for new solutions for and approaches to many aspects of everyday life.

As we move forward, quality of life will hinge on innovative technologies that bring greater energy efficiency to existing applications and systems, make mobility concepts more flexible and digital communications more secure. Powerful semiconductor technologies from Infineon provide the building blocks for these new growth markets - and for a more sustainable future.

Energy Efficiency



Electricity will remain our main source of power in the future. But we must use it more economically. This means we need energy-efficient solutions. Infineon's semiconductor technologies raise efficiency across the entire energy chain - from generation through to transmission and distribution, to the final point of consumption. For example, Infineon products enable the feed of wind power into the grid and maximize the energy efficiency of industrial drives.

Mobility



Everyone wants to be mobile. Growing urbanization and the pressing need to protect our climate call for new solutions. Beside cars that work more energy-efficient, we also need sustainable and affordable concepts for local and long-distance travel. From urban rail to high-speed inter-city services, from e-bikes to electric vehicles - Infineon's semiconductors enable tomorrow's mobility. Moreover, they do this with solutions that make more efficient use of energy.

Security



Our daily lives are shaped by digital services. And all modern communication media - from the Internet to electronic passports - must be safeguarded against misuse to protect personal data. Security chips from Infineon not only transmit data quickly, they also use innovative encryption technologies to safeguard information and protect our virtual identities.



The development of power electronics and sensors for the automotive industry serves a broad field of application. It provides solutions that raise the level of energy efficiency in the vehicle, such as engine management and transmission control. It also includes tire pressure sensors and the interconnected safety applications that increasingly gain in complexity, such as brake and restraint systems. Development work also encompasses products for body and convenience electronics, and the latest generation of angle and speed sensors open up yet another array of applications.

Alongside the products, new power technologies tailored to automotive requirements are being developed. These lead to innovative solutions and products for e.g. dual light systems (optionally LEDs or conventional bulbs), power supply units, and power switches, which are also manufactured in Villach.

Drawing on synergies between the key areas of energy efficiency and mobility, the analog/mixed-signal field of research - formerly a significant factor in the success of communications solutions - has been re-organized into thematically focused centers of excellence. All of Infineon's business segments benefit from this development.

Expertise



In particular, the newly formed centers of excellence focus on mixed analog/digital circuits in the fields of power management, analog to digital converters for microcontrollers, clock systems, optical sensors, driver circuits for high-voltage switches as well as converters and digital microphone amplifier circuits.

These are found in wide-ranging customer-specific telecommunication applications, in the electronics for computer and health systems or in the automotive sector. Combined with sensors and software, these modules form complex technical systems.

The expertise from Villach contributes to strengthening Infineon's leading position in the analog/mixed signal sector on the global market. Mixed analog/digital circuits make a significant contribution to our international competitiveness due to the heightened differentiation of our microcontrollers and our customized products.

Global Responsibility for Contactless Chip Cards and Tire Pressure Sensors in Graz

The Development Center Graz, established in 1998, is the global center of excellence for contactless technologies in applications such as chip card and security ICs (integrated circuits), RFID (Radio Frequency Identification) and radio components for automotive applications. Today, Graz DC is one of the largest Infineon development centers. Infineon has been market leader in chips for card applications for 14 years (IMS Research 2010). The Graz team plays a significant role in achieving this status.

Here microchips are developed that may transmit and receive data to and from write/read devices via radio waves. These products are used, for example, in chip card applications for local public transport, in electronic identification documents such as the new passports, and in payment systems including credit cards.



The Graz site has held global responsibility for all developments surrounding tire pressure monitoring systems since 2009. The German Association of the Automotive Industry (VDA) defines alternators controlled by a module developed in Graz as one of two reference designs for this application. They ensure that the charging of the car battery is optimized and all consumption requirements are met through efficient power supply. Likewise, system modules for the automotive industry, such as for automatic transmission control at lightning speed, are developed in Graz.

The Graz team's RFID developments have put them at the international forefront in this field. RFID chips enable a host of applications to make life simpler and securer, ranging from automated libraries, more convenient access to buildings, and modern ticketing systems, all the way to guaranteed availability and forgery-proofing of diverse products, and secure identification documents.

You may get a first-hand impression of RFID in operation at places such as the Vienna Main Library, Munich airport or the innovation fab in Villach and in Kulim, Malaysia.

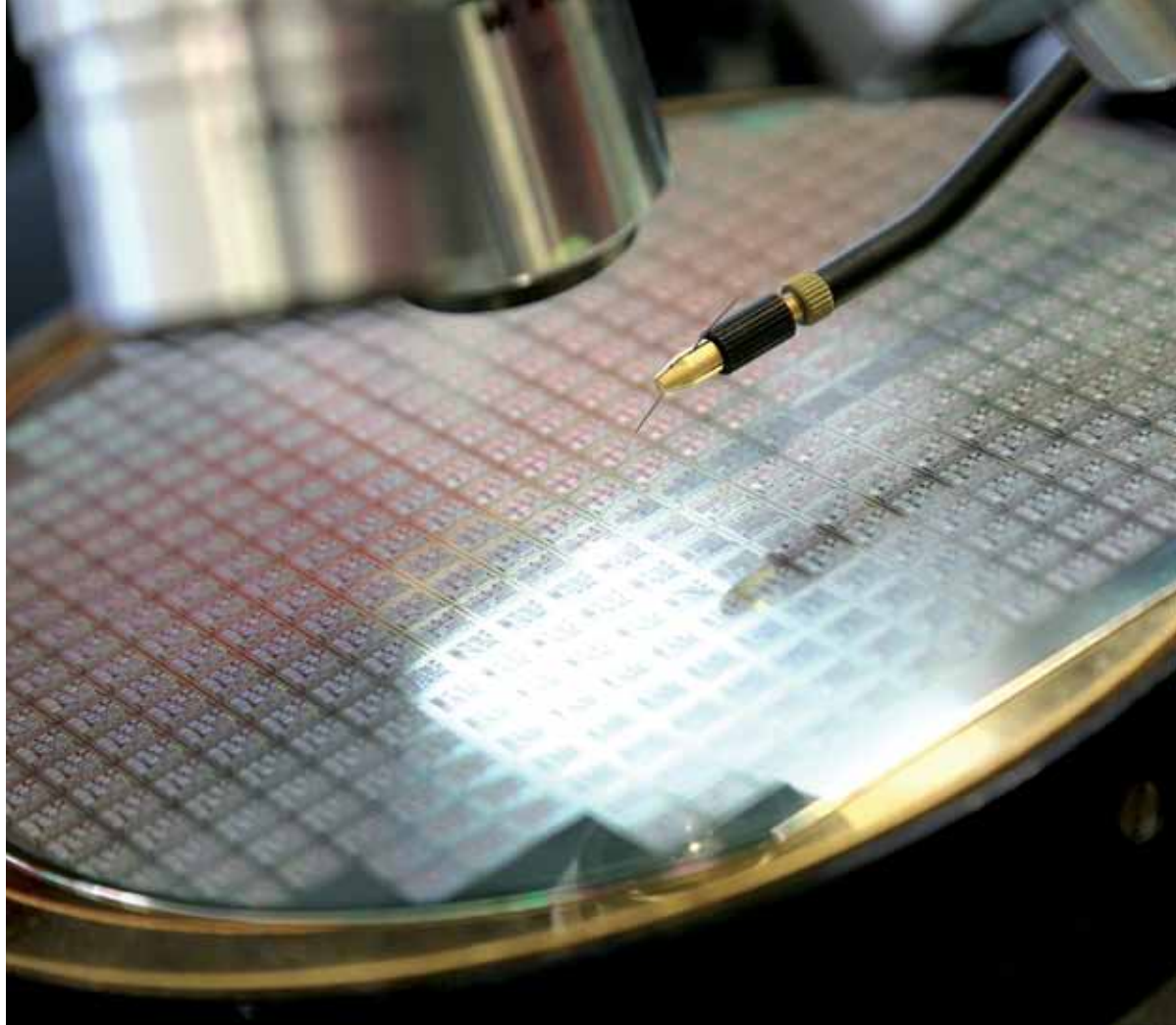
Innovations for Radar Systems from Linz

The Infineon affiliate DICE (Danube Integrated Circuit Engineering) is at the Linz research and development site. DICE came into being as a spin-off from the Johannes Kepler University in Linz and looks back on a ten-year success story.

A focal area is the development of integrated radar sensors for the automotive sector. DICE's sustained innovation capacity was key for strengthening the globally leading position in the field of 77 GHz radar sensors. Close collaboration with research establishments and universities, such as the Johannes Kepler University in Linz or the University of Applied Sciences in Hagenberg, is a strong driving force for future innovations.



Contactless Chips



Lead-fab for Energy-Efficient Semiconductors

Microchips for use in automotive and industrial electronics are manufactured at the Villach site. The majority of the products are in the power semiconductor category. These are semiconductor elements responsible for controlling and switching high electric currents and voltages in a vast array of applications.

Infineon takes first place on the global market for these power semiconductors for the eighth time in a row (IMS Research 2011). Within the Group, Villach is the innovation fab for power semiconductors with production lines for 150-, 200- and 300- millimeter wafers.

Around 1,400 products (basic types) are manufactured in Austria. In the 2010/11 fiscal year, 17.6 billion chips left the facility. The existing production area in Villach, currently comprising three production halls and a hall for wafer tests, was enlarged by an extension of 2,000 m².

The combination of development and production at the Villach site is a special feature within the Group and facilitates optimal pooling of expertise. The cross-divisional teamwork enables short turnaround times from inception to finished product.

Villach operates together with other sites in Europe and Asia in a manufacturing cluster. Production know-how is exchanged and production capacity is effectively deployed to meet customer requirements in the shortest possible time.

First-class Quality for Zero-defect Chips

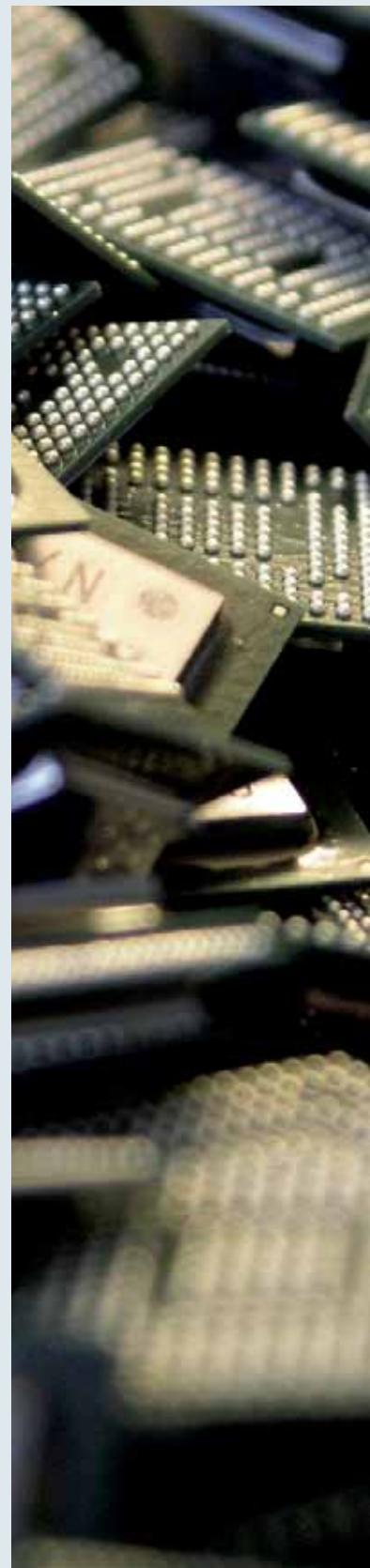
The industry sector calls for continuous improvement of product quality and increased efficiency. That is why the production process is certified under the ISO 9001:2000 and ISO TS 16 949:2002 (automotive standard) quality programs.

The primary goal is to ensure supply of zero-defect chips to our customers. Safety is especially important in the automotive sector and therefore electronic defects are intolerable. Zero defect is also a necessity with regard to endurance requirements in the transport sector (trains).

Furthermore, semiconductor manufacture requires that the raw materials and ambient air are of high purity. Work in Villach is performed in Class 1 and Class 10 cleanrooms. Class 1 cleanrooms provide an environment where no more than one particle with a maximum diameter of 0.5 microns is admissible in 28 liters (one cubic foot) of air. By comparison, the same volume of normal ambient air contains about one million particles. The chips are subjected to a variety of checks throughout the manufacturing process and their electrical functionality is tested after completion.

Minimum Structure Sizes - Maximum Performance

Villach is home to a front-end production facility where electronic components are produced and tested on silicon wafers in various technologies and complexities in as many as 400 steps. The challenge is to manage widths of structures down to 200 nanometers. For comparison: that is about 350 times smaller than the diameter of a human hair.



First-class Quality



The World's First 300mm Production Line for Power Semiconductors in Villach

Chip production is seeing a trend to larger wafer diameters, permitting an increase in the number of chips per wafer and a decrease in cost. Outstanding process know-how and innovative strength at the Villach site made it possible to develop the world's first production process for power semiconductors on 300-millimeter wafers. The first pilot line for this purpose is installed at the Villach site. It is currently extended to an economic size.

Within one year, first silicon was produced on this pilot line. It demonstrated the feasibility of 300-millimeter technology for power semiconductors. The globally unique expertise in thin wafer technology at the Villach production site was key to achieving this success. Within the Infineon Group, Villach is responsible for developing 300-millimeter technologies - a field that holds great potential for the future - and the associated production techniques.

Energy Efficiency Thanks to Thin Wafers and New Materials

Thin wafer technology is pivotal for higher energy efficiency in electrical and electronic end devices. The manufacture and handling of ultra-thin chips represent a great challenge in the production process. Villach possesses globally unique expertise in the high-volume production and processing of silicon wafers as thin as 40 microns.



The challenge in the future development of new technologies lies in halving wafer thickness to 20 microns. For comparison: a sheet of paper has a thickness of roughly 100 microns. Infineon Austria received the 2009 Innovation and Research Award of Carinthia for the outstanding expertise in thin wafer technology.

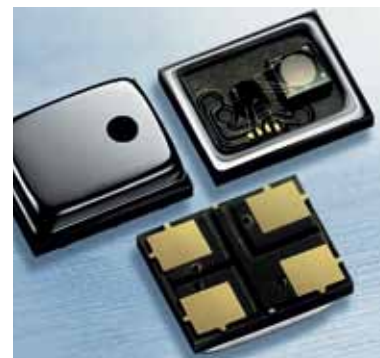


Using innovative basic semiconductor materials such as silicon carbide (SiC) and gallium nitride (GaN) allows the production of particularly efficient, fast-acting power packs operating with high reliability and lower power consumption. Products of these technologies are used in markets such as solar energy or wind power, transport, hybrid and electric cars, and for energy conversions in power supply units or household appliances. All of these markets offer much potential for growth in the near future.

The reduction in size and weight of the end devices is a big plus in terms of energy efficiency. These innovative power semiconductors are developed and produced at the Villach site on the premises offered by the use of new primary materials.

MEMS

MEMS (Micro-Electro-Mechanical Systems) have also been produced at Infineon's Villach site since 2008. Processes similar to those in classical semiconductor manufacturing are used to produce these micromachines. The MEMS produced in Villach are used in a wide array of areas, e.g. as tire pressure sensors or as a microphone in nano format. In developing the MEMS technologies, the Villach site has significantly broadened its spectrum of production expertise.



Thin Wafers



Production Innovation

Highly skilled and passionate people are the backbone of our innovation fab. With a view to stay ahead of global competition we proactively address the challenges of a modern production site. New ideas and their implementation drive our success.

Key aspects of production innovation are single process technology, equipment engineering, new materials and automation, as well as digitalization and production concepts that lead us into a successful future.

The iRobotics (intelligent Robotics) innovation project addresses the optimal interplay of man and machine. Flexible robots are equipped with the capability to automatically load and unload machines.

Digitalization enables the collection and analysis of statistical data to reduce errors, to simplify manual handling of the machines and to further enhance the quality.

The Intelligent Fab

The Villach plant was the first semiconductor manufacturing facility in the world to control its production units by means of various radio technologies.

The software was developed at the Infineon subsidiary in Klagenfurt, while the complex chip technology was provided by the Development Center in Graz. Today also other Infineon fabs outside of Austria make successful use of this logistics' system.

Energy efficiency plays a central role in the production process. The intelligent fab in Villach is among the most energy-efficient in the world.



People are our Success

Creating an environment in which innovation falls on fertile ground is a central issue addressed by Infineon Austria's human resource management.

Models and programs for a modern culture of innovation are developed and innovative approaches are taken to offer our employees, who come from diverse cultural backgrounds, an ideal environment for their challenging work.

By virtue of motivation, flexibility and know-how, the employees make a vital contribution to Infineon's corporate success. Their creative and innovative potential is a valuable asset for Infineon and it drives constant improvement. Infineon's appreciation of its staff finds expression in many employee benefits, including a comprehensive health care program that includes also initiatives to promote sport, ergonomics and a healthy lifestyle.

People



Lifelong Learning and Knowledge

Great importance is given to education and training in all areas of the company and it is a decisive factor for our competitiveness.

Drawing on the findings from the last Great Place to Work survey, a management development program was designed and implemented specifically for manufacturing shift-leaders that bear managerial responsibility for forty people, on average.

Promoting Diversity in the Company

Diversity has different dimensions. Infineon Austria actively pursues the aim to unlock the potential of diversity with respect to internationality, age, gender and professional expertise.

Cultural and international diversity stimulates innovation. Infineon Austria strives to attract employees with excellent qualities to the company. This is done with a view to engage them in a long-lasting and successful career at our company. A variety of recruiting activities and attractive employment packages bring experts and high-potentials to Austria. Their long-term stay is also encouraged outside the realms of company through close collaboration with organizations such as the Carinthian International Club.

In order to get the right talents from the younger generation on board, the Junior Talent Program was implemented. Tailored to foster skill development of young professionals with an excellent degree in science and technology, the individualized 18/24-month programs engage trainees in job rotation, training courses and feedback sessions that furthermore encourage networking and their integration into the Infineon team.



Winning Young People for Technology

Infineon Austria undertakes wide-ranging activities to inspire youngsters' interest in technology and to make visible the promising opportunities offered by a technical profession.

With "Summer Kids" we cater for the youngest. This vacation day-care program for our employees' children provides kids with guided insights into dad's or mum's technical working world.

At the age of 13 and 14, youngsters face their first decision with regard to their future professional life. Opportunities of vocational training in the high-tech industry are discussed within the framework of the SEMI High Tech University program. Developed in the USA and rolled out with great success internationally, the program introduces youngsters to the world of microelectronics in an easily understandable and fun way.

Infineon Austria has cooperated with the Science Center Network since 2009. The Science Center-Network aims at facilitating direct access and insight into science for all age groups. As part of the "Science in a Backpack" tour in the spring of 2011, youngsters carried out didactically supported scientific experiments under educational guidance at Infineon Austria in Villach.

In 2011, Infineon Austria partnered with YPD Challenge for the second time. Four of the winners of this contest for Austria's most attractive vacation jobs decided for an internship at Infineon Austria and experienced the journey from the idea to the finished chip in their six-week placement.

Infineon Austria offers youngsters in-house apprenticeships in professions with a promising future in mechatronics and electrical engineering (systems and industrial engineering). There is also the option to conclude the apprenticeship with a diploma that qualifies the person for University studies. At present 28 percent of the apprentices at Infineon Austria are female.



Diversity



Talents for the Future

Infineon Austria partners with educational establishments to foster the best possible framework for vocational training and higher education in science and technology. Partnerships with the Universities of Technology in Vienna and Graz, Universities in Linz and Salzburg, and Universities of Applied Sciences in Wiener Neustadt, Vienna, Hagenberg and Carinthia enable active exchange between industry and higher education.

The company provides support for the master program “Integrated Systems and Circuit Design” at Carinthia University of Applied Sciences and additionally offers a two-year scholarship.

The last fiscal year saw the expansion of existing partnerships: Infineon Austria plays an active role as a partner of the newly launched master program “Energy-Efficient Electronic Systems” at the Graz University of Technology. Furthermore, Infineon Austria is involved in the part-time degree “Cleanroom Technology” at the Graz University of Technology.

Infineon Austria has become a partner company of Vienna University of Technology’s “TUtheTOP” high-potential program for the first time. Within the scope of this program, we accompany a group of Vienna University of Technology’s best students for two semesters, offering insight into the company and useful additional qualifications.



Gender Diversity as a Success Factor

Infineon employs a wide range of activities to offer women and men ideal conditions for reconciling work and family life. In particular, attractive opportunities that technical professions offer are to be made visible also to young women.

In the fiscal year 2011, every fifth new recruit was a woman. The in-house “Women encourage Women” (WeW) network is one of the numerous examples showing how women are encouraged at Infineon and how they proactively pursue their professional career in the high-tech industry.

Balance between the Generations

Infineon Austria reflects the demographic profile of European society. Some forty percent of the employees are over 45 years old. The newly initiated project “Best Aging @ IFAT” addresses questions related to knowledge management and working environment.

Balance



Addressing Health and Environmental Issues

Sustainability is an integral part of entrepreneurship at Infineon Austria. We are aware of our role model status as a large industrial enterprise.

Infineon Austria has, over recent years, made environmental protection an integral part of all company's processes and has been EMAS-validated since 1997. In 2009, Infineon Technologies AG received the EMAS Award from the Austrian Ministry for the Environment. In addition, we are the first company in Austria to be validated according to the EMAS III Regulation (EC No. 1221/2009). EMAS stands for "Eco-Management and Audit Scheme" and is a voluntary environmental management system for companies within the European Union.

Our approach is double-pronged: On one end we explore every avenue to ensure responsible and sustainable management of resources within our own sphere, while on the other end we develop and produce products suited for reducing energy losses in household consumption and industrial applications.

Our Integrated Approach

In 2005, the “Infineon Integrated Management Program for Environment, Safety and Health” (IMPRES) was established. The program covers all the processes, strategies and corresponding goals in the areas of health, occupational safety and environmental protection. In addition, in 2005 the occupational safety management system was matrix-certified under the OHSAS 18001 (Occupational Health and Safety Assessment Series) standard.

We adapt a wholesome approach to health, occupational safety and environmental protection and we develop new processes and products with a view to increase energy efficiency. Measures promoting health and environmental protection complement Infineon Austria’s economic goals and reinforce the sustainability of our activities.

Setting a Good Example

The switch from natural gas to district heating makes energy management at the Villach production site more efficient and more sustainable.

By replacing fossil fuel gas with regenerative energy seventy percent of the total energy consumption can be covered by district heating. Not only does this have advantages for Infineon, but it also reduces the overall carbon footprint.

When conceiving new processes, technologies and innovations we take into consideration their impact on the environment and sustainable development. Current construction projects have been conceptualized and implemented according to this approach. Within the framework of an “energy efficiency” project, ideas of our employees open up new avenues for greater energy efficiency in Austria.

An e-charging station with an integrated photovoltaic system was set up in September 2011. This initiative was complemented with the purchase of an electric car for business travel and five electric bicycles. It sets an example for others.

Health Care Management

The semiconductor industry is a demanding work environment. That is why the promotion of health care is a special concern at Infineon. With the support of the company’s medical service at the Villach site, emphasis is placed on care, exercise and nutrition as well as stress management and mediation or burn-out prevention. Employees can choose from a wide range of fitness and health offerings.

An in-house team of mediators is available for conflict prevention and conflict management. Infineon Austria has repeatedly won the Carinthian regional health insurance fund’s “Seal of Approval for Workplace Health Promotion. The company also provides medical care service at the Graz site.



Integrated Approach

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